



## Memorandum # 17/2002

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission  
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### MEMORANDUM

TO: Retirement Board Administrators

FROM: Joseph E. Connarton, Executive Director

RE: Local Experience Study Analysis

DATE: March 20, 2002

The Public Employee Retirement Administration Commission (PERAC) is pleased to provide you with the enclosed two copies of the Local Experience Study Analysis. PERAC's Actuary, Jim Lamenzo, and his staff are to be commended for a job well done.

The Study provides an analysis of actual plan experience for local systems. Revised actuarial assumptions were developed based on this analysis. Actual rates of disability, mortality and salary increase were found to be lower than assumed while withdrawal rates were found to be higher than assumed. Overall, the changes in assumptions recommended in the Study will result in costs slightly lower than the previous assumptions. However, an actuarial valuation assesses a number of factors including investment performance, benefit changes and plan experience. The status of liabilities is a product of all of these factors as well as changes in assumptions.

This topic will be discussed at the PERAC Educational Seminar at UMass this summer. If you need additional copies of this report please contact Ms. Lindsay Deaver at (617) 666-4446 ext. 937.

If you have any questions or comments, please contact me.